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SWEDISH FOREST INDUSTRIES FEDERATION

Stockholm 6/22/2021

Swedish Forest Industries comments on the draft revised EU Forest Strategy

The draft of a revised EU Forest Strategy is an unacceptable and far-reaching proposal to regulate forest planning, monitoring, management, and industry production. It expresses a clear lack of understanding of how forest management and the forest-based industries work and their full contributions to a climate neutral society. Forests and wood-based products will be important contributors in Europe becoming the first climate-neutral continent, but then we need well-designed policy, which respects the Treaty and its division of competences, which truly creates engagement from stakeholders and which is implementable.

1. **The Commission makes unacceptable claims to decide over core forest policy issues** and the draft proposal outlines a common EU forest policy. The proposal entails a far-reaching shift of forest policy from Member State to EU level. Even if the Commission has shared competences on environmental policy, the draft proposals cannot be justified solely by this. It seems as if the Commission is prepared to do whatever they can to enlarge their area of decision making.

2. **Forest management and planning should not be defined at the EU level, neither should the extent of the forest industry production.** Such centralized treatment of forest issues is counterproductive, both politically, for forest stakeholders and the forest itself. The proposal is in stark contrast with the foundation of sustainable forest management. Decisions on forests and forest-based industries must be made by Member States, forest owners and industry stakeholders, adapted to the national, regional, and local needs.

3. **It must be recognized that all different wood-based products and bioenergy are essential for a successful transition to a fossil free and circular bioeconomy.** Clearly, an overall understanding of how forestry and wood-based value chains work and contribute to mitigating climate change is missing. Long- and short-lived products cannot be put against each other. In the forest-based industries all parts of the tree are used in a resource efficient way resulting in both long- and short-lived products being produced simultaneously. To produce high-quality wood suitable for construction, the forest must be thinned. The small-diameter wood from these thinnings, as well as the side streams from producing the long-lived products, are used to produce pulp, paper and board.

4. **Climate benefits of wood-based products and sustainable forest management must be fully recognized and understood via a system perspective.** The Strategy is oriented towards an exaggerated problem description on biodiversity and the perspective of forests as a buffer for climate emissions in other sectors. Climate change aspects relates very much to both protective and productive functions of the forest, and should therefore be treated in a separate section to allow the full understanding of the contribution to mitigating climate change.

5. **The Council conclusions and the European Parliament's report on the EU Forest Strategy are not considered in the draft Strategy**. It is remarkable that the Commission so obviously disregards the strong and clearly expressed views of the other two institutions. This indicates a severe tone of deafness in the Commission, which will alienate many important stakeholders, such as Member States, forest owners, investors, and forest industry workers. In the worst case, this Strategy will fuel voices of protectionism, anti-EU cooperation and nationalism. In other words, the Commission is playing a political game with extremely high stakes

Detailed comments

On regulating forest monitoring, governance, planning and management

The draft Strategy proposes a future legislative proposal for EU Forest Monitoring and Planning framework, including Strategic Plans for Forests for 10, 30 and 50 years and an EU forest governance framework. It should be "a coordinated forest planning and management tool at EU level". The Commission will propose more precise criteria, indicators and thresholds for the sustainable management and use of forests, concerning in particular forest ecosystem health, biodiversity and climate objectives as well as closer-to-nature forestry.

We support the promotion of forest monitoring through the collaboration and harmonization of national work and institutions as well as the increase of national expertise in forest inventories. This should acknowledge and build on already existing systems for forest monitoring and acknowledge that the EU has world-leading Member States in the field of forest data, information and planning.

We strongly reject that the EU would regulate forest governance, planning, education and management, including specific silvicultural practises (e.g. clear-cutting, continuous cover and uneven-aged forestry). This is in stark contrast with the foundation of sustainable forest management (SFM). These examples on detailed regulations and restrictions on forestry will hinder the national, regional, and local adaptations needed to enable and guarantee sustainable forest management. Practices must be adapted to the site in question and cannot be dictated on an overarching EU level. Forest conditions, ecosystems, definitions, methodologies, monitoring, and data availability vary considerably between Member States. A one-size-fits-all policy approach cannot be applied.

EU should not establish new SFM indicators and thresholds, disregarding and starting a parallel process to Forest Europe. Within Forest Europe, to which EU and 46 European countries are signatories, comprehensive indicators and criteria for SFM already exist and are continuously developed. Its agreed guidelines and 45 criteria and indicators have been developed together with academics, non-governmental organizations, and member state experts. The indicators allow for regional and local interpretations and adaptations and are both quantitative and qualitative. This ensures that target-setting for SFM can be evaluated – but the criteria are also general enough to ensure wide applicability.

The most important aspect of SFM is that it is adaptable and continuously developed. This is acknowledged in Forest Europe's first indicator for SFM: an active national forest programme (NFP) or equivalent. At the same time, Forest Europe is in itself an arena for developing SFM between its signatory countries and the EU. By-passing Forest Europe with, for example, EU legislation in the development of SFM risks reducing national confidence in common policy development in Europe. This is a very clear expression of a top-down approach that should be avoided.

On silvicultural practises

The strategy proposes a new approach to sustainable forest management, even though it also outlines that the picture of the actual status of forest ecosystems is not complete. It suggests changes to current sustainable forest management by enhancing "closer-to nature" without being sure if this approach would be fit for all forests in the EU and reducing "clear-cutting" without there being any scientific basis for this. Sustainable or unsustainable forest management practises cannot and should not be defined at the EU level and decisions on harvesting methods is not for the EU to decide. Varying forest conditions and forest types require different management regimes and this should be decided nationally, regionally and locally. Commission goes way too far into details here.

Nordic forests are today managed with the highest environmental concerns and nature-based methods, resulting in **a positive development** for biodiversity. Clear-cutting has been an important practice in Nordic forestry for centuries. The practice is firmly based on scientific evidence. In the early 1990s, production and environmental objectives were given equal weight in the Swedish forest legislation and clear-cutting has been aligned with high environmental standards for promoting biodiversity. These standards, regulated in the **Forestry Act** and in **certification**, imposes that trees must be retained to avoid clear-cut areas that are too large (for example, continuous-cover forestry in Germany creates gaps in the forest which are the same size as an average "clear-cut" in southern Sweden), and that all nature-value trees (often broad-leaved trees with particular bark characteristics or old coniferous trees) and trees located near watersheds and other sensitive biotopes must be left in place. Regulation also requires that deadwood is preserved and created to promote wood-living insects. The positive impacts of the clear-cutting practice on biodiversity include increased amounts of deadwood, increased share of deciduous trees, and promoting flora and fauna that prefer open, sun-exposed habitats. These impacts are apparent in national **statistics** and scientific reports.

Additionally, there is a biological basis for the clear-cutting practice related to the ecological structure and function of boreal forest ecosystems, being characterised by slow growth, i.e., low productivity, and nitrogen deficiency. To promote forest growth, nitrogen needs to be mobilised, which happens via disturbance to the soil and the ecosystem. Clear-cutting is one such way of disturbing the ecosystem and thus, a way to promote tree growth in boreal forests.

The even-aged vs. uneven-aged forests are not correctly outlined in the leaked text. There is no scientific support for claiming that even-aged forests are more sensitive to any detrimental effects of climate change than uneven-aged forests. Indeed, there are various risks associated with climate change, and forests managed in different ways may react differently to potential climate change-induced events. A severe storm event is more likely to cause damage to a mature or old-growth forest than to a young forest. A storm event in winter may cause larger damage to a coniferous forest than to a broad-leaved forest. A pest outbreak is more likely to happen in a forest where trees are under pressure from abiotic stress, such as drought. The EU Forest Strategy must acknowledge that forests are biologically very complex, and that it is not possible to make general claims about, for example, even-aged forests being worse off in relation to climate change than uneven-aged ones. Obviously, forest management needs to be adaptive in relation to climate change. Adaptive forest management is also site-specific and acknowledges that there are no one-size fits all solutions. The EU Forest Strategy should therefore avoid directing forest management in detail, like to promote uneven-aged vs. even-aged forests or to suggest a ban on clear-cutting, to be applied across Member States.

Moreover, the EU Forest Strategy should not indicate that specific forest management practices, such as clear-cutting, would threaten the carbon stock in forest soils as there is no scientific evidence to support this. In contrast, there is firm evidence that soil carbon stocks in Nordic forests are currently increasing due to the increased forest growth over the past 100 years. In Sweden, for instance, an official Soil Inventory reports such data. Soil disturbance in harvesting operations may cause net carbon emissions from the specific site, but these are compensated by the forest growth following the harvest.

On short- and long-lived forest-based products

The draft states the majority of wood should be used for making long-lived materials and products. "Wood use for short-lived products and energy production should be minimised and rely namely on secondary woody biomass such as sawmill by-products, residues, recycled materials."…"The focus therefore has to

be on a drastic shift from short-lived to long-lived uses of wood…""…to reducing packaging and further restricting single use products. Such short-lived products are made, among others, also of wood-based materials."

Clear risk for suboptimal solutions for economy and climate with this approach. All different wood-based products are important in climate change mitigation, providing carbon storage and/or substitution, displacing fossil resources. There is no scientific evidence for using the short life cycle of products as a discrimination criterion, if they are recycled, as paper and board-based packaging are in Europe. Such discrimination would impact a big part of the pulp, paper, and board industry in Europe. Limiting these uses of wood would also dramatically reduce the availability of recycled fiber, and affect those industries associated with recycling. Third-party verified **LCA studies** confirm that fiber-based packaging, such as fiber-based single-use food service items and beverage cartons, are more environmentally friendly and sustainable than their reusable or fossil-based counterparts. According to the "**Breaking the Plastic Wave**" (2020) report published by Pew Charitable Trusts and Systemiq, paper and compostable materials have the potential to substitute one-sixth of projected plastic waste by 2040. Therefore, paper-based products contribute towards a more low-carbon and circular economy.

The Commission has not understood how forestry and the forest industry work and how the whole tree is used in a resource efficient way in integrated value-chains. Long- and short-lived products cannot be put against each other. In the forest-based industries all parts of the tree are used in a resource efficient way resulting in both long- and short-lived products being produced simultaneously. To produce high-quality wood suitable for construction, the forest must be thinned. The small-diameter wood from these thinnings, as well as the side streams from producing the long-lived products, are used to produce pulp, paper and board. It must be recognized that all different wood-based products and bioenergy are essential for a successful transition to a fossil free and circular bioeconomy.

In addition, pulp, paper and board products are recycled at high levels and the fibres in these products can be recycled at least 5-7 times and up to 20 times. For example, the recycling rate for paper and cardboard packaging in the EU27 was 84.2% in 2018, more than any other packaging material category (Source: **Eurostat**). This approach maximises material efficiency and overall environmental benefits. The lifespan of these products also varies between end uses. For example, packaging can serve up to several years and books and textiles can last for decades. In addition to lifespan, many other aspects, such as number of recycling cycles, material use efficiency, environmental footprint, end uses, and alternative products for such end uses, all affect overall sustainability.

The principle of cascading is sound but should not be put into legislation as it brings no extra value and as it could be misinterpreted and misused. Attempts to define how forest biomass should be used has previously been denied for good reasons. Forest value chains differ between and within Member States. The "correct use" of raw material cannot be defined centrally by EU institutions, and it is too difficult to find any definition that would be relevant. Bureaucratic definitions of forest biomass and industry use can severely hamper effective use of biomass as well as innovation and investments in the bioeconomy.

The draft also lifts that the most important role for wood products is in the constructions sector. Increasing wood construction is very positive. However, neglects the fact that to increase wood in construction requires wood to be i) available on the market, and ii) cost competitive. Instead the sole focus of the draft Strategy is on actions that would make less European wood available on the market.

Other comments

- Positive that the Strategy lifts demand-side actions, this should be in focus. Developing the value chain for all wood-based products (including energy) so that supply chains, creating a solid, long-term and reliable demand provides positive incentives for forest management.

- It is positive that the draft recognizes the climate benefit of material substitution, noting values ranging from -18 to -43 MtC02e/year. However, this is an **underestimation**. The analysis should not be limited to Harvested Wood Products but consider the full substitution benefit of wood-based products and energy. Policy should be based on a **system perspective**, considering the link between the forest and the circular bioeconomy. This is also a main vehicle to achieve climate neutrality through expanding the forest-based sector and through innovation, integration and efficiency gains in the value chain.

- It is deeply concerning to see that the misconception that there is evidence of illegal logging in Sweden from remote sensing studies is included in the EU Forest Strategy. Overlogging in Sweden was suggested by an article published in the journal **Nature in 2020**. Immediately following the publication of this article, government authorities and Swedish universities **questioned** the accuracy of the data interpretation and calculations presented in the article. Also, **Swedish official statistics,** which are directed by law on how to measure harvested wood, did not support the conclusions made in the Nature article. Following an unacceptably extended period of nearly a year, two other articles (**here** and **here**) were published in Nature demonstrating the erroneous interpretations and calculations of the original article. To claim illegal logging is taking place in Sweden, based on an article that has been refuted by the majority of the European forest research community, strongly undermines the overall credibility of the new EU Forest Strategy.

- No new certification schemes (Com suggests closer to nature certification and EU label). Com suggests that members states "should ensure closer auditing of private certification schemes and the implementation of certified activities the ground". And that "the commission will consider if it is appropriate to set minimum auditing requirements for private certification schemes as well as minimum standards for third party certification scheme". Schemes are international and forest sector has followed e.g. FSC and PEFC for years. These systems are private and market driven initiatives that neither Member States, nor the Commission can set any requirements for.

- The draft Strategy does not highlight the role of the forest-based value chain for creating jobs and welfare. Ecoturism and other ecosystem services but wood are highlighted. Commission wants to increase forest owners income from other things than wood, using CAP funding and developing carbon farming schemes for carbon removals and a carbon removal certification. This could cause dramatic changes in wood markets and have negative implications for downstream industries, jobs and growth. And again, Commission misses the full picture – how to increase wood in construction if forest owners are incentivised to leave the trees in the forest?

- The strategy lacks proposals for research and innovation related to wood-based products. Wood-based products has a huge potential also in the future to mitigate climate change.

- The basis for the Strategy is that we are facing a crisis for biodiversity and therefore we must protect and restore our forests. At the same time, COM states that the information on the state of EU forests is patchy. According to the latest report on the "**State of Europe's Forest**", forests have been constantly developing in terms of quality and quantity.

- Proposes increased share of forest management plans and possibly set minimum requirements. It is not for the Commission to define and decide about FMPs.
- Good proposal to increase the availability of forest reproductive material suitable for future climatic conditions, including research on this.
- The draft states that old-growth and primary forests remove carbon from the atmosphere, when it is a well-known biological fact that the growth in older forests decline and eventually the forest reaches sink saturation, where the forest is no longer a net sink. They provide a carbon storage, but do not act as carbon sinks.